THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) BIFR has approved rehabilitation schemes for 8 sick subsidiaries of NTC mills at an estimated cost of Rs. 3,937.49 crores.

(b) As per the rehabilitation scheme for NTC (APKKM), 2 NTC mills situated in Karnataka are to be revived.

(c) In order to prevent sickness in Textile Industry, there is a proposal to restructure the debt portfolios of viable and potentially viable viable textile units.

Modernisation of Textiles Industry

2315. SHRI B.J. PANDA: Will the Minister of TEXTILES be pleased to state:

(a) whether textile industry is modernising on massive scale to meet the global challenges, if so the details of such modernisation, as reported in the Economic Times on 17 December, 2002;

(b) whether Government have received a good response for up-gradation from the Textile industry, if so, the total number of applications so far received and funds so far sanctioned under the Technology Upgradation Funds Scheme; and

(c) incentives Government propose to extend for its growth and improvement of the yield to enable us to face world market?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) and (b) With a view to improve the overall viability of the textile and jute industries and to enable it to meet the global challenges, Government has launched a Technology Upgradation Fund Scheme (TUFS) for Textile and Jute Industries, w.e.f. 1.4.1999 for a period of 5 years, i.e. upto 31 st March 2004. The main feature of the scheme js that it provides a reimbursement of 5% point on the interest charged by the lending agency on a project of technology upgradation in conformity with this scheme.There is no cap on funding under this scheme. With effect from 1st Jan., 2002, an option has been provided to the Small Scale Textile and Jute Industries to avail of either 12 percent Credit Linked Capital Subsidy (CLCS-TUFS) or 5 percent interest reimbursement under TUFS.

As on December 31,2002, under the TUFS, 2023 applications have been received with a project cost of Rs. 15810 crore and a loan requirement of Rs. 9095 crore. 1782 applications have been sanctioned for a loan amount of Rs. 6101 crore. Rs. 4203 crore have been disbursed in respect of 1430 applications.

(c) The Government has provided a number of incentives for the growth of textile sector and improvement of yield, which include:—

i) Technology Mission on Cotton

Government has launched the Technology Mission on Cotton during 1999-2000 for a period of 5 years. This Mission has four Mini Missions to bring about all around improvement in the production, productivity and quality of cotton through research, transfer of technology and improvement in the raw cotton processing and marketing.

ii) Textile Package in the Budget 2003-04

In the current budget of 2003-04, to strengthen the textile industry, Central Value Added Tax (CENVAT) chain has been completed and the number of exemptions and deemed credit schemes have been withdrawn. The excise duty on fibres, yarn, fabrics/made ups and readymade garments (RMG) has been reduced considerably.

iil) **Reduction in Customs duty on Textile machinery**

In order to facilitate import of textile machinery with state of the art technology, list of 175 items of specified textile machinery attract concessional rate of import duty. In the current budget basic import duty on additional 39 numbers of textile machinery has been reduced to 5%.

iv) De-reservation of Garment Industry and raising of Small Scale Industry (SSI) limit

Garment industry has been de-reserved from SSI sector with effect from 1st January, 2001 to encourage large-scale investments in the garment sector and achieving of economies of scale. Small-scale investment limit has been raised to Rs. 5 Crores in case of knitting and knitwear items.

v) Integrated Apparel Park Scheme

Governmet has formulated "Apparel Parks for Exports" with a view to involve State Government in promoting investment in the apparel sector. The Central Government will give as a grant 75% or maximum of Rs. 10 crore of the capital expenditure incurred by the State Government on the

infrastructure facilities of the Apparel Park, while the remaining 25% will be born by the agency. This grant shall be limited to a maximum of Rs. 10 crores.

vi)Textile Centres Infrastructure Development Scheme (TCIDS)

Government has launched Textile Centres Infrastructure Development Scheme (TCIDS)" for plugging critical infrastrcture gaps in traditional textile/apparel clusters to help the units located therein to become globally competitive.

The central assistance under the scheme is available to the extent of 100% of the critical components of the project in respect of Common Effluent Plant, improving water supply and drainage facilities and construction of creche building for apparel units, whereas the other components would be funded on 75:25 between Centre and State/reputed agencies concerned.

Revival of NTC Mills' in Gujarat

2316. SHRI RAJU PARMAR: Will the Minister of TEXTILES be pleased to state:

(a) whether the National Textile Corporation (NTC) has decided to review three NTC mills in the State of Gujarat following the rehabilitation scheme approved by the Board of Industrial and Financial Reconstruction (BIFR) for textile mills;

(b) if so, the estimated cost of rehabilitation scheme approved by the BIFR; and

(c) to what extent the textile workers would be benefited from the rehabilitation programme for the NTC?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANAGOUDA R. PATIL): (a) and (b) BIFR has approved the rehabilitation scheme for NTC (Gujarat) Ltd. involving revival of 2 viable mills and closure of 9 unviable mills at an estimated cost of Rs. 486 crores which includes, modernisation, payment of statutory dues, secured loans, VRS to surplus employees etc.

(c) Employees of unviable mills and surplus employees of viable mills would be given attractive VRS package. The remaining workers will continue in their jobs.